

**CENTRAL ELECTRICITY REGULATORY COMMISSION
New Delhi**

Petition No. 37/TT/2021

- Subject** : Truing up of transmission tariff of 2014-19 tariff period and determination of transmission tariff for the 2019-24 tariff period for nine assets under Establishment of Fibre Optic Communication System under Master Communication Plan in the Western Region.
- Date of Hearing** : 24.9.2021
- Coram** : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Madhya Pradesh Power Management Company Limited (MPPMCL) and 10 others
- Parties Present** : Ms. Poorva Saigal, Advocate, MPPTCL
Ms. Tanya Sareen, Advocate, MPPTCL
Shri S.S. Raju, PGCIL
Shri A.K. Verma, PGCIL
Shri V.P. Rastogi, PGCIL
Shri D.K. Biswal, PGCIL
Shri Vincent D Souza, MPPTCL

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner made the following submissions:
- a. The instant petition is filed for truing up of transmission tariff of the 2014-19 tariff period and determination of transmission tariff for the 2019-24 tariff period in respect of following nine assets under Establishment of Fibre Optic Communication System under Master Communication Plan in the Western Region:
- i. **Asset-1:** 14 numbers OPGW links (1513.362 km) under Central Sector;
 - ii. **Asset-2:** 27 numbers OPGW links (1892.58 km) under Central Sector;
 - iii. **Asset-3:** 14 numbers OPGW links (1423.69 km) under Central Sector;
 - iv. **Asset-4:** 3 numbers OPGW links (123.33 km) under Central Sector;
 - v. **Asset-5:** 2 numbers OPGW links (9.22 km) under State Sector (MPPTCL);
 - vi. **Asset-6:** 6 numbers OPGW links (191.421 km) under State Sector (MPPTCL);
 - vii. **Asset-7:** 3 numbers OPGW links (392.63 km) under Central Sector;
 - viii. **Asset-8:** 2 numbers OPGW links (546 km) under Central Sector; and
 - ix. **Asset-9:** 2 numbers OPGW links (274 km) under Central Sector.



- b. The Date of Commercial Operation (COD) and time over-run in respect of the transmission assets is as under:

Particulars	Scheduled COD	COD	Time over-run (in days)
Asset-1	9.8.2014	22.9.2015	410
Asset-2	9.8.2014	21.10.2016	805
Asset-3	9.8.2014	30.11.2017	1210
Asset-4	9.8.2014	1.7.2018	1423
Asset-5	9.8.2014	30.11.2017	1210
Asset-6	9.8.2014	1.7.2018	1423
Asset-7	9.8.2014	1.5.2017	997
Asset-8	9.8.2014	1.9.2017	1120
Asset-9	9.8.2014	1.3.2018	1301

- c. The transmission tariff of the 2014-19 tariff period was approved by the Commission vide order dated 22.2.2019 in Petition No. 5/TT/2018 wherein the Commission directed the Petitioner to submit confirmation from CEA that there is no requirement for certification by CEA in case of OPGW links at the time of truing-up. The Petitioner has submitted that as per CEA Regulations 2010, minimum 650 volt is required for inspection. Further, Central Government specified that the notified voltage for the purpose of self-certification under Regulation 30 and Regulation 43 of CEA Regulations 2010 is 11 kV. Therefore, upto 11 kV, no inspection is required by CEA inspector. Hence, the CEA clearance letter is not applicable in case of communication system. The relevant extract of CEA Regulations 2010 and Ministry of Power notification have been filed along with the petition.
- d. The Commission vide order dated 22.2.2019 in Petition No. 5/TT/2018 further gave liberty to the Petitioner to submit detailed reasons for time over-run at the time of truing-up. The Petitioner has submitted the detailed reasons in the petition and the submissions made by the Petitioner, in brief, are as follows:
- (i) Addition of Extra Links (changes from awarded Scope of Work)
 - (ii) Delay in issuance of Permit to Work at certain sites/locations and Re-scheduling of outages on various occasions
 - (iii) Severe RoW issues at various sites/ locations
 - (iv) Delay in commissioning of new lines and, hence, delay in commissioning of links upon them
 - (v) Construction of back-up SLDC Building in Bhopal and addition of an additional link, i.e., Bhopal-Govindpur of MPPTCL
- e. Requested to consider the detailed reasons for time over-run given in the petition and to condone the time over-run in case of the transmission assets.



- f. The Commission vide order dated 22.2.2019 in Petition No. 5/TT/2018 had restricted the cost of certain assets due to cost over-run and specified that it will be taken up at the time of truing-up. The Petitioner has submitted that it has filed the Revised Cost Estimate (RCE) with the pleadings and requested to consider and allow the capital cost as it is within the RCE cost.
- g. Initial Spares claimed are within the norms.
- h. The information sought in the technical validation letter has been filed vide affidavit dated 21.9.2021.
- i. The Petitioner has filed rejoinder vide affidavit dated 22.9.2021 to the reply filed by MPPTCL vide affidavit dated 10.9.2021 and rejoinder to the reply filed by MPPMCL vide affidavit dated 14.9.2021.

3. Learned counsel for Madhya Pradesh Power Transmission Company Ltd. (MPPTCL) submitted that there is time over-run of 1210 days and 1423 days in case of Asset-5 and Asset-6 respectively. She submitted that Petitioner has attached various communications without establishing the correlation and explaining the circumstances due to which the time over-run occurred and the actual period of such delays. The alleged reasons/ events are attributable to Petitioner and/ or its sub-contractors as provided in Regulation 12 of the 2014 Tariff Regulations. On scrutiny of the time taken by the Petitioner for various activities, it is observed that in case of Asset-5, the period of supply was planned from December 2012 to March 2014 (15 months) whereas it was achieved during November 2012 and December 2015 i.e. in 36 months for which no explanation has been provided by the Petitioner neither in response to technical validation letter nor in the rejoinder filed to MPPTCL's reply.

4. Learned counsel for MPPTCL further submitted that even if the planned time of 30 months is considered from June 2013, it would still have been completed earlier than the actual COD of the transmission asset. She further submitted that as per Minutes of Meeting dated 16.10.2012, the date and duration of such shutdowns were required to be intimated one month prior to such shutdowns. However, shutdowns were sought by the Petitioner within a week or with 2/3 days' notice.

5. The representative of MPPMCL submitted that the reply filed on behalf of MPPMCL may be considered.

6. The Commission directed the Petitioner to submit package-wise and vendor-wise details of the Additional Capital Expenditure (ACE) claimed during 2014-19 and 2019-24 tariff periods for all the assets on affidavit with advance copy to the Respondents by 18.10.2021.

7. Subject to above, the Commission reserved order in the matter.

By order of the Commission

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(V. Sreenivas)
Deputy Chief (Law)

